



Foreign Agricultural Service

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Malaysia

Oilseeds and Products

Oilseeds and Products Update (November) 1999

1999

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Report Highlights:

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], MY

SUMMARY:**Production**

The Malaysian Palm Oil Registration and Licensing Authority (PORLA) reported that total crude palm oil (CPO) production rose 0.5 percent from the month of September to a record monthly high of 1.05 MMT in October. Output in the Peninsula decreased by 0.7 percent while East Malaysia's production rose 3.0 percent. Compared to October 1998, output during October 1999 was 32 percent higher. A seasonal downtrend in production is expected during the current quarter and we forecast Oct-Dec output at 2.7 TMT, bringing CY 1999's total production to 10.3 MMT.

Price

Weaker overseas demand influenced the downturn of the CPO prices during the month of November. The average CPO price dropped 4.2 percent from RM1,260/MT (US\$332/MT) in October to RM1,207/MT (US\$318/MT) in November. For comparison, the average CPO price for November, 1998 was RM2,377/MT (US\$626/MT). RBD Palm Oil FOB average price also decreased from US\$347/MT to US\$334/MT.

Stocks

An increase in domestic CPO output contributed to a small increase in the stock level at the end of October. With an anticipated decreases in CPO output during the Oct - Dec period, we expect stocks to slide to about 1.17 million tons by the end of December.

Trade

Preliminary official October exports rose to 862 TMT compared to 835 TMT in September.

ANNUAL SITUATION (OCT/SEP):

No changes in the PS&Ds for palm oil since our report MY9081.

	Revised 1997/98	Prelim 1998/99	Forecast 1999/2000
(1,000 tons)			
Beg Stock	907	719	1207
Production	8,508	9,758	9,900
Imports	91	142	100
Total Supply	9,506	10,619	11,207
Exports	7,421	8,146	8,500
Domestic Use	1,366	1,266	1,507
Ending Stock	719	1,207	1,200

QUARTERLY OUTLOOK FOR PALM OIL:

	1998 1/ Jul-Sep	1999 2/ Jul-Sep	1998 1/ Oct-Dec	1999 2/ Oct-Dec
(1,000 MT)				
Beg Stocks 3/	695	1049	719	1207
Prod- East Mal	714	870	608	825
- Pen. Mal	1776	2103	1541	1875
- Total	2490	2973	2149	2700
Imports	38	91	4	20
Total Supply	3223	4113	2872	3927
Exports 4/	2116	2511	1830	2390
Dom Disap 5/	388	395	217	367
End Stocks	719	1207	825	1170

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate
and all intra-Malaysia trade;

5/ residual.

PRODUCTION:

	1998	1998	1999	1999
	Oct	Jan-Oct	Oct	Jan-Oct
(In 1,000 MT)				
CPO:				
Pen. Malaysia	565	2019	718	6141
East Malaysia	229	1941	330	2517
- Total 1/	794	6960	1048	8658
Palm Kernel : Malaysia	230	2043	301	2476
Palm Kernel Oil: Malaysia	109	919	133	1088
Palm Kernel Meal: Malaysia	132	1112	160	1320

1/ Totals may not add due to rounding differences.
Includes some revisions in previous months.

PRICES:

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Dec	2228	618	653	478
Jan 99	2197	600	653	448
Feb	1921	539	581	402
Mar	1668	463	500	365
Apr	1692	470	501	375
May	1553	446	486	341
June	1277	354	399	245
July	1103	311	361	195
Aug	1143	375	372	241
Sep 1/	1318	365	419	266
Oct	1260	347	378	272
Nov (till 25th)	1207	334	359	276

1/ revised

Exchange Rate (Nov 30 1999): US\$1.00 = RM3.799

STOCKS:

	1998	1999	1999	1999
	Oct	Aug	Sep	Oct
(In 1,000 MT)				
Crude P. Oil	322	616	653	688
Processed PO	337	482	555	545
- Total PO	659	1098	1208	1233
Palm Kernel	76	82	96	99
P. Kernel Oil	138	97	105	113